

From: McLean, Allan [mailto:Allan.McLean@moodys.com]
Sent: Tuesday, October 20, 2009 5:09 PM
To: Perry, Jocelyn
Cc: Burn, William
Subject: NPI Peers

Jocelyn:

Below is a list of companies that would be considered reasonably good peers for NPI.

Atlantic City Electric Company
Central Maine Power Company
Connecticut Light and Power Company
FortisAlberta Inc.
Orange and Rockland Utilities, Inc.
PPL Electric Utilities Corporation

The group is comprised of companies that are predominantly or exclusively T&D utilities within the Baa1 rating category. While NPI obviously has a generation component, the vast majority of the energy delivered by NPI is procured from NLH rendering NPI closer to a pure T&D utility rather than to a vertically integrated utility. One of the companies listed above, Orange and Rockland Utilities, is both an electric T&D utility and gas LDC. However, I include O&R because Moody's views the business risk profile of gas LDCs to be similar to, indeed generally somewhat lower, than that of electric T&Ds.

The peer group is also comprised of relatively small utilities. While Connecticut Light and Power and PPL Electric Utilities are arguably mid-sized companies with assets of US\$8.4B and US\$ 5.2B respectively, they are significantly smaller than two other Baa1-rated utilities, Oncor Electric Delivery (\$14B assets) and Public Service Electric and Gas (\$16B assets), which I have not included as peers due to the significant size differential.

While companies in a peer group will always have unique attributes that can complicate comparisons, I believe that the group above includes most of NPI's closest peers within the universe of companies rated by Moody's.

I hope that you will find this helpful

Regards

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